

HIGH POINT

NORTH CAROLINA

Annual Report 2013

PARTNERING WITH THE BUSINESS COMMUNITY

High Point Economic Development Corporation

“IT’S THE RIGHT MOVE FOR THE GROWTH OF OUR COMPANY
TO COME TO HIGH POINT AND BE HEADQUARTERED HERE.
FROM A BUSINESSPERSON’S PERSPECTIVE,
IT IS A VERY BUSINESS-FRIENDLY CITY.”

PARTNERING WITH THE BUSINESS COMMUNITY

Dear High Point citizens, business leaders, and allies:

In 2013, our city's economy was bolstered by a host of projects and announcements, many of which have come about due to partnerships between the business community and the City of High Point.



At the November High Point EDC annual meeting, incoming Chairman Leah Price thanked outgoing Chairman Charles Cain (left).

- During the year, several companies created and/or announced new jobs while adding to our tax base – including such well-known businesses as Volvo, Ralph Lauren, LGS Innovations, Stanley Furniture, and Newell Rubbermaid.
- Plans for two new corporate parks were announced in 2013, which could add more than 860 developable acres for future projects. The City of High Point has committed to those parks' developers that it will invest in infrastructure to serve the two sites.
- High Point University – which has invested almost \$1 billion on its campus over the past eight years – confirmed plans to add a pharmacy school and other graduate health sciences programs. The City of High Point's close partnering with the university has greatly helped HPU's amazing growth.

On the following pages, you will read about High Point's 2013 successes in growing our economy. You will note a company official quoted as saying, "We have enjoyed a great partnership with the City of High Point over the years." Such teamwork with the business community has been an integral part of our city's impressive economic development accomplishments year after year.

Sincerely,

Charles L. Cain
2011-2013 Chairman of the Board

Loren Hill
President

Leah Penry Price
2013-2015 Chairman of the Board

High Point Market worth \$5.39 billion to region

A 2013 Duke University study found that the High Point Market – the world's largest home furnishings trade show – generates more than \$5.39 billion in economic impact to the overall regional economy (the counties within a 75-mile radius from downtown High Point).

Duke University's Center on Globalization, Governance & Competitiveness, which conducted the study, found that the High Point Market supports 37,616 jobs in the region. North Carolina collects \$123 million in tax revenue each year due to the economic activity generated by the High Point Market.

Greensboro/High Point MSA again earns Top 10 national ranking

Site Selection Magazine announced that – for the seventh year in a row – the Greensboro/High Point Metropolitan Statistical Area earned a Top 10 national ranking for attracting new industry among similar-sized communities.

The MSA – composed of Guilford, Randolph, and Rockingham counties – ranked #4 in the nation in 2013, based on the number of corporate real estate projects of \$1 million or greater.

For two of those seven Top 10 years, the region impressively ranked #1. High Point's successes, relative to its size, led the way to the region's receiving these recognitions.

Mission of the High Point Economic Development Corporation

The High Point Economic Development Corporation is a public-private organization whose mission is to:

- work to retain existing business and industry in the City of High Point;
- assist local companies in expanding;
- attract new businesses to locate in High Point; and
- encourage the creation of head-of-household jobs for Piedmont Triad residents.

MAJOR EXPANSIONS AND ANNOUNCEMENTS IN 2013

Volvo constructing \$15 million, 700-employee office building

In 2013, Volvo Group began constructing what is likely the Greensboro/High Point/Winston-Salem region's largest new office construction project in the past decade. Carolina Investment Properties is developing the facility for Volvo.

The three-story, 123,000-sq. ft. facility will be at 8003 Piedmont Parkway and will house approximately 700 employees from several divisions of Volvo. Those 700 employees will be transferred to the new High Point facility from nearby in the region.



This rendering shows the under-construction Volvo building.

"Close cooperation with High Point city officials will be invaluable in meeting the prescribed deadlines and delivering the new facility to Volvo in a timely manner. Carolina Investment Properties is excited to be working with the High Point Economic Development Corporation, with their extensive experience in assisting with the success of this type of project."

ROBIN TEAM, PRESIDENT
CAROLINA INVESTMENT PROPERTIES

LGS Innovations opens 110-employee operation

After considering out-of-state and nearby regional locations, LGS Innovations announced in May that it would relocate its North Carolina facility to High Point.

The company opened its operations in the city in August, moving 110 employees to 4090 Premier Dr. The successful retention/relocation effort was a joint project of the High Point Economic Development Corporation and the Greensboro Economic Development Alliance.

LGS Innovations provides high-value IT services for the U.S. Department of Defense and other federal agencies.

"We are thrilled this [relocation to High Point] was accomplished within Guilford County, and LGS can continue to benefit from the talented workforce and other advantages of this thriving region."

KEVIN KELLY, CHIEF EXECUTIVE OFFICER
LGS INNOVATIONS

Ralph Lauren adds 307 jobs as part of 900-job multi-year expansion

Ralph Lauren Corporation continued with its ongoing major High Point expansion in 2013 by adding 307 jobs.

The company's two-phase expansion project – announced in June 2012 and December 2010 – includes 900 new jobs and an increase to the local tax base of more than \$163 million.

The company moved to the top of High Point's largest employers list in 2013, with more than 2,369 fulltime-equivalent employees at five locations in the city. Those facilities host three major apparel and home goods distribution facilities, office operations, a technical facility, a customer contact operation, and a research and development facility.

Please also see the "Ralph Lauren adds 200 jobs in Whitsett" article.



Ralph Lauren's George Clopton is a High Point EDC officer.

"We have enjoyed a great partnership with the City of High Point over the years. We expanded several times and have had great growth and opportunity, and we found this to be a wonderful place to do business."

GEORGE CLOPTON
VICE PRESIDENT OF DISTRIBUTION OPERATIONS
RALPH LAUREN CORPORATION



LGS Innovations CEO Kevin Kelly and his team celebrate the company's move to High Point.

High Point University adds 879 jobs over last eight years

In 2013, High Point University continued its extraordinary growth, including new academic programs, enhancements to campus facilities/technology, and the addition of student life support staff and programs.



HPU President Nido Qubein hosted the High Point EDC annual meeting in November.

The planned schools of pharmacy, physical therapy, and physician assistant studies – the largest project to date – will be a \$120 million investment. These health sciences programs will add another 125 new faculty/staff jobs and approximately 700 graduate students.

Over the past eight years, HPU has added 879 new positions – going from 430 to 1,309 employees

(1,128 fulltime-equivalent employees). During that same period, undergraduate enrollment has grown from 1,450 to 4,000 students.

The growth of High Point University – through 80,000 visitors each year, hundreds of newly-created jobs, the construction of new facilities, its operating budget, and more – has a \$464.5 million annual economic impact. The proposed health sciences graduate schools will increase the university's economic impact to more than \$500 million annually.

Since President Nido Qubein took the helm in January 2005, the measures of growth at HPU are astounding:



HPU science student Mayeesa Mitchell (right) gets high-level instruction from Dr. Brian Augustine, chemistry department chair.

HIGH POINT UNIVERSITY	2005	2013	GROWTH
Annual economic impact	\$160.3 million	\$464.5 million	190%
Annual operating budget	\$38 million	\$178 million	368%
Undergraduate enrollment	1,450	4,000	176%
Fulltime faculty	108	260	140%
Total jobs (full-time and part-time)	430	1,309	204%
Campus size	92 acres	370 acres	302%
Building square footage	800,000	3,000,000	275%
Buildings on campus	22	107	386%
United Way giving	\$38,000	\$200,000	426%
Study-abroad programs	5	41	720%



NC Commerce Secretary Sharon Decker (left) and State Representative John Faircloth sample LC America's products.
(photo courtesy of Sonny Hedgecock and The High Point Enterprise)

LC America holds ribbon-cutting for snack food manufacturing facility

In June, state and High Point officials celebrated the opening of an Italian snack food maker. LC America – whose parent company is Le Caselle – has operations at 8221 Tyner Road in a 68,000-square foot plant. The company makes snack pellets, a semi-finished food that is sold to snack food manufacturers.

The project was a joint effort of the High Point and Greensboro economic development groups.

OFS Brands creating 188 new jobs, \$9.25 million increase in tax base

OFS Brands – an existing High Point furniture and logistics company – announced in March that it will be expanding in southern High Point. Approximately 188 fulltime jobs will be added over five years. The family-owned company will add \$9.25 million to the local tax base – by expanding and upgrading at 1264 Jackson Lake Rd.

OFS Brands is the parent company for OFS, First Office, Carolina, Loewenstein, and Styline Logistics. OFS Brands makes casegoods, seating, and tables. Its logistics division delivers furniture across the nation for itself and for various clients.



At the city hall announcement, NC Deputy Commerce Secretary Dale Carroll (right) makes a presentation to OFS official Ryan Menke.

"OFS Brands is extremely excited to establish our permanent home in High Point, NC. We are grateful to the State, County, and City for supporting our company."

RYAN MENKE, VICE PRESIDENT OF SUPPLY CHAIN
OFS BRANDS

Region lands projects due to joint efforts

Two clients of the High Point Economic Development Corporation announced projects in 2013 that will locate outside the High Point city limits but in the region. In each case, the project was a joint effort with the neighboring Greensboro and/or Winston-Salem economic development organizations.

Ralph Lauren adds 200 jobs in Whitsett

- In March, Ralph Lauren Corporation announced plans to open a distribution facility in Whitsett in Guilford County, a move that will create as many as 200 jobs.
- The jobs will come on top of the company's previously announced plan to add a total of 900 jobs in High Point between 2011 and 2017 (please see "Ralph Lauren adds 307 jobs" article).

FFF Enterprises to open specialty pharmacy in Kernersville

- In October, FFF Enterprises announced plans to create 31 jobs and construct a new 80,000-sq. ft. building as its logistics center and specialty pharmacy.
- The company is a leading distributor of influenza vaccines, critical-care biopharmaceuticals, and other plasma products.
- FFF Enterprises will open in the Guilford County part of Kernersville. High Point utilities will serve the building.

"It's the right move for the growth of our company to come to High Point and be headquartered here. From a businessperson's perspective, it is a very business-friendly city."

GLENN PRILLAMAN, PRESIDENT AND CEO
STANLEY FURNITURE

Stanley Furniture moves its corporate headquarters to High Point

Stanley Furniture, a manufacturer and marketer of premium wood residential furniture, moved its out-of-state corporate headquarters to High Point in the first quarter of 2013. The move brings 42 additional local jobs and an increase to the local tax base of more than \$6 million.

The company's new St. consolidated that corporate office, and its High



Stanley Furniture opened its new corporate headquarters in downtown High Point.

Newell Rubbermaid adds 116 jobs as it creates customer "center of excellence"

Newell Rubbermaid announced in September that it would add jobs and create a customer service center of excellence at its existing Levolor and Kirsch facility in High Point – to host the majority of its brands' customer and consumer service capabilities.

The company added 116 jobs during 2013 at its existing customer service center located at 4110 Premier Drive. Levolor, a Newell Rubbermaid brand, originally came to High Point in 1995 when it moved operations to this same facility.

"We chose High Point because of our success in operating our largest existing customer service center, as well as access to a well-educated employee base and the ease of doing business"

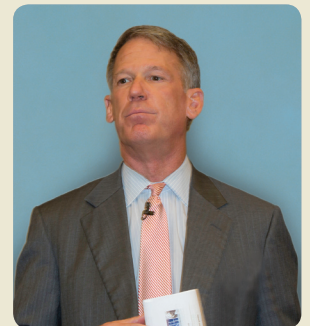
DAVE SMITH
VICE PRESIDENT FOR CUSTOMER AND CONSUMER SERVICE
NEWELL RUBBERMAID

Public/private partnerships lead to development of two new corporate parks

In 2013, High Point partnered with developers to bring about the creation of two new corporate parks. Those business parks could add as much as 860 acres for future company expansions.

"I-74 Corporate Park" has major client ready to start construction

- The City Council voted in 2013 to extend and construct water and sewer service to a 350-acre site along the I-74 corridor, where Carolina Investment Properties plans to develop a new business park. The city's infrastructure investment will be an estimated \$5 million.
- Robin Team of Carolina Investment Properties announced that, during the second quarter of 2014, a High Point company plans to break ground for a major new facility in the park.



Robin Team describes his many ongoing High Point projects.

Griffin to develop "350 South"

- During the year, the City of High Point annexed a 510-acre site off Sandy Ridge Road near I-40, where developer D.H. Griffin plans to build an office/industrial park.
- The City Council agreed to construct a sewer outfall line to serve portions of the park. The city's infrastructure investment will be an estimated \$800,000.

High Point's largest employers in 2013

High Point's 20 largest employers – which collectively provide work for more than 20,300 people – showcase High Point's diverse group of industry sectors.

RANKING	COMPANY / ORGANIZATION	NATURE OF OPERATION	TOTAL EMPLOYEES IN HIGH POINT ¹
1	Ralph Lauren Corporation²	distribution/customer service	2,369
2	Bank of America²	finance/customer service	2,283
3	High Point Regional/UNC Health Care²	health care	1,822
4	Guilford County Schools²	public education	1,696
5	City of High Point	local government	1,344
6	Thomas Built Buses/Daimler Trucks	bus manufacturing	1,338
7	Cornerstone Health Care²	health care	1,245
8	High Point University	secondary education	1,128
9	NCO Group/APAC Customer Service	customer service	865
10	Solstas Lab Partners²	medical laboratory services	812
11	Aetna	insurance/customer service	790
12	Walmart^{2,3}	retail	710
13	New Breed Logistics	distribution networks/logistics IT	670
14	Slane Hosiery Mills³	footwear manufacturing	567
15	Advanced Home Care²	health care	538
16	Patheon⁴	pharmaceutical manufacturing	532
17	Sears Product Services Marketing Center	customer service	452
18	Marsh Furniture Company	cabinet manufacturing	412
19	Harland Clarke Corporation	check manufacturing/distribution	396
20	North State Communications²	communications utility	341

¹For this survey conducted by the HPEDC, companies are asked to provide "full-time equivalent" numbers for High Point-based employees as of December 2013.

²These organizations have multiple locations in the Greensboro/High Point/Winston-Salem region. The numbers shown reflect High Point-based employees only.

³The numbers listed on this chart for Slane Hosiery Mills and Walmart come from 2013 city business license forms, since the companies chose not to participate in this survey. Those figures are not necessarily "full-time equivalent" numbers.

⁴This company was previously known as Banner Pharmacaps.

Source: High Point Economic Development Corporation survey

High Point's largest permitted projects in 2013

These companies/organizations had the largest commercial construction projects during 2013.

RANKING	COMPANY / ORGANIZATION	PROJECT DESCRIPTION (LOCATION)	VALUE OF PERMITS ¹
1	Volvo Group	new 123,000-sq. ft. office building (8003 Piedmont Triad Pkwy.)	\$12,878,600
2	Ralph Lauren Corporation	building upfits (201 N. Pendleton St. and 4100 Beechwood Dr.)	\$8,305,461
3	Guilford County Schools	Allen Jay Middle School upfits (1201 E. Fairfield Rd.)	\$6,500,000
4	Belk	new 75,000-sq. ft. retail department store (4135 Brian Jordan Pl.)	\$5,713,265
5	High Point University	new 31,500-sq. ft. athletic center (1018 W. College Dr.), building upfits (833 Montlieu Ave.)	\$4,855,029
6	Hobby Lobby	new 55,160-sq. ft. retail store (2506 N. Main St.)	\$4,199,331
7	International Market Centers	furniture showroom upfits (IHFC, Showplace, Market Square, et al)	\$3,353,946
8	Walmart	new 42,000-sq. ft. retail grocery store (4102 Precision Way)	\$3,175,898
9	High Point Kidney Center	76,000-sq. ft. expansion (1900 Westchester Dr.)	\$2,500,000
10	Cornerstone Eye Care	new 23,000-sq. ft. facility (1400 E. Hartley Dr.)	\$2,058,223

¹These figures are based on the value of building permits issued by the City of High Point during 2013 for commercial construction (both new and expansions).

FIVE-YEAR TRENDS

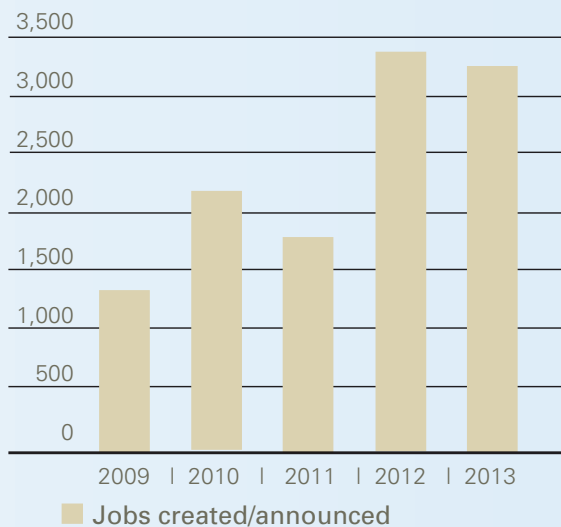
Unemployment rates

High Point's regional, county, and city unemployment rates have continued to improve each of the last five years.¹

YEAR	METRO AREA ²	GUILFORD COUNTY	HIGH POINT
2009	11.4%	11.2%	10.8%
2010	10.8%	10.6%	10.7%
2011	10.1%	9.9%	10.1%
2012	9.8%	9.6%	9.7%
2013	6.9%	6.9%	6.7%

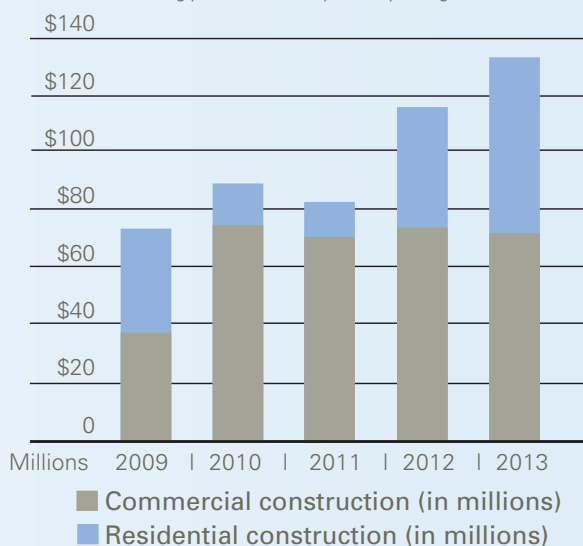
High Point job announcements

This graph reflects jobs created plus announced prospective job creation.³



High Point construction capital investment

This graph shows construction capital investment, based on the value of building permits issued by the City of High Point.⁴



¹ The figures – which come from the NC Dept. of Commerce – reflect numbers as of each December.

² The Greensboro-High Point Metropolitan Statistical Area is composed of Guilford, Randolph, and Rockingham counties.

³ These figures come from surveys conducted by the HPEDC, from media accounts, and from other sources. These numbers do not include all jobs added in High Point and do not reflect job losses during the year.

⁴ These figures include commercial construction (both new and expansions) and residential construction (both single and multi-family units).

Job growth in 2013

These High Point companies added jobs to their local workforce in 2013.

COMPANY/ORGANIZATION	JOBS ADDED IN 2013 ¹
NCO Group/APAC Customer Service	315
Ralph Lauren Corporation	307
New Breed Logistics	126
Walmart	119
Newell Rubbermaid	116
Slane Hosiery Mills	114
Harland Clarke Corporation	98
Mickey Truck Bodies	91
Marsh Furniture Company	66
South University	66
Thomas Built Buses/Daimler Trucks	44
Solstas Lab Partners	33
Davis Furniture	30
Sears Product Services Marketing Center	30
Phoenix Academy	30
High Point University	23
The Valspar Corporation	20
Clondalkin Company	20
Akzo Nobel Coatings	20

¹ These figures come from surveys conducted by the HPEDC and from City of High Point business licenses.

High Point EDC receives “Excellence in Economic Development” award

In October, the International Economic Development Council recognized the High Point Economic Development Corporation with its “Excellence in Economic Development” award.

HPEDC earned the award for its 2012 annual report and accompanying marketing brochure.

Those two documents also jointly won an award in August from the Southern Economic Development Council.



High Point EDC President Loren Hill (right) receives the Excellence in Economic Development award from IEDC Chairman Paul Krutko.

2013 BOARD OF DIRECTORS

The High Point Economic Development Corporation – a department of city government – is a public/private partnership. Business, governmental, and educational leaders sit on its board of directors.

- Serving as the board's officers for most of 2013 were Chair Charles Cain, First Vice Chair Leah Price, Second Vice Chair Ken Smith, and Treasurer/Secretary George Clopton.
- At the November 2013 annual meeting, Price was elected chair. Joining her as 2013-2015 officers are Smith, first vice chair; Clopton, second vice chair; and Sharisse Fuller, treasurer/secretary.

High Point City Council appointees

Lee Boone, Samuel Lawrence Furniture
Phil Fowler¹, Geneva Corporation
Sharisse Fuller², Fuller Consultants
Steve Holcombe¹, TransTech Pharma
Diana Parrish², Diana Parrish Design and Photography
Annie Tyson Jett¹, B&C Associates
Ralph Wear¹, Ralph Lauren Corporation
Ashley Davis Williams², Davis Furniture
Curtis Wilson², Graco Supply and Integrated Services

City officials

Mayor **Bernita Sims**, BPR Properties
Councilman **Jason Ewing**, Keller Williams Realty
City Manager **Strib Boynton**
High Point EDC President **Loren Hill**

State and county officials

State Representative **John Faircloth**, Coldwell Banker Triad
Guilford County Commissioner **Hank Henning**, Brady Services
Guilford County Manager **Brenda Jones Fox**¹, **Marty Lawing**²

Economic development allies

High Point Market Authority: **Tom Conley**
High Point Convention & Visitors Bureau: **Kevin Archer**¹;
Mena Parrish², J. H. Adams Inn
High Point University: **Don Scarborough**
Guilford Technical Community College: **Randy Parker**
The City Project, Inc.: **Aaron Clinard**¹, Clinard Consulting;
Richard Wood², Wells Fargo Advisors

High Point Partners appointees

Charles Cain, Cain Hahn Associates, LLP
George Clopton³, Ralph Lauren Corporation
Maurice Hull⁴, MarketPlace Management
David Miller, D.S. Miller, Inc.
Leah Price, BB&T
Ken Smith, Smith Leonard
Scott Tilley, Merrill Lynch/The Tilley Group

High Point Chamber of Commerce officials

Tim Ilderton², Ilderton Dodge Chrysler Jeep Ram
Kelly Sain¹, BB&T

Past HPEDC chairmen

Owen Bertschi, Crescent Ford
Don Cameron, Don Cameron & Associates, LLC
Bill Horney, Mirro Products (retired)
Bill McGuinn, First Citizens Bank (retired)
Jeff Miller, High Point Regional/UNC Health Care
Jim Morgan, Morgan, Herring, Morgan,
Green & Rosenblutt Attorneys
Nido Qubein, High Point University
Coy Williard, Williard-Stewart

¹ These persons' service on the HPEDC board ended in 2013.

² These persons' service on the HPEDC board began in 2013.

³ Representing the Chamber in 2011-2012, this HPEDC board member became a Partners appointee in 2013.

⁴ In 2013, this HPEDC board member left the board in January and was reappointed in December.

High Point Economic Development Corporation



Loren Hill, president
Sandy Dunbeck, senior vice president
Billie Marsh, executive assistant

www.highpointedc.com 336-883-3116 hpedc@highpointnc.gov
P. O. Box 230, High Point, NC 27261 USA
(High Point Municipal Building, 211 S. Hamilton St., Suite 200, 27260)